



PROPOSAL OF APPROVAL IN WRITING IN SEPTEMBER 2020

Ref.: Adjustment / Change of Plan of Issuing Shares to Existing Shareholders

To: Shareholders of Bamboo Capital Joint Stock Company

- Pursuant to the Law on Enterprises No. 68/2014/QH13 dated November 26, 2014 of the Socialist Republic of Vietnam;
- Pursuant to Securities Law No. 70/2006/QH11 dated June 29, 2006 of the National Assembly; Law amending and supplementing some articles of the Securities Law No. 62/2010/QH12 dated November 24, 2010;
- Pursuant to Decree No. 58/2012/ND-CP of the Government dated July 20, 2012 detailing and guiding the implementation of some articles of the Securities Law and the Law amending and supplementing some Articles of the Securities Law;
- Pursuant to Decree No. 60/2015/ND-CP of the Government dated June 26, 2015 amending and supplementing some articles of Decree No. 58/2012/ND-CP of the Government dated July 20, 2012 detailing and guiding the implementation of some articles of the Securities Law and the Law amending and supplementing some Articles of the Securities Law;
- Pursuant to Circular No. 162/2015/TT-BTC dated October 26, 2015, guiding the public offering of securities, of shares for exchange and issuance of additional shares, redemption of shares, sales of treasury shares, public offering of shares;
- Pursuant to the Charter of Bamboo Capital JSC (BCG) approved by the Board of Directors on July 27, 2020 (as authorized by the General Meeting of Shareholders of the Company on May 27, 2020) (the 8th amendment and supplement);
- Pursuant to the actual needs of Bamboo Capital Joint Stock Company (BCG) in capital mobilization to serve production and business activities.

Resolution of the General Meeting of Shareholders of the Company No. 06/2020/NQ-DHĐCĐ-BCG dated June 27, 2020 approved the Proposal No. 23/2020/TTDH-HDQT-BCG dated June 12, 2020 of the Board of Directors with regard to plan of offering shares to existing shareholders. However, basing on the implementation of share offering plan, it is deemed necessary that execution of such plan should be adjusted to meet legal regulations. Therefore, the Board of Directors would submit to the General Meeting of Shareholders to approve the adjustment / change of plan of offering shares to existing shareholders as mentioned in the Resolution of General Meeting of Shareholders No. 06/2020/NQ-DHĐCĐ-BCG dated June 27, 2020. The plan of offering shares to existing shareholders is adjusted / changed in details as follows:

1. **Name of shares:** Shares of Bamboo Capital Joint Stock Company.
2. **Transaction code:** BCG
3. **Type of share:** Common shares.
4. **Par value:** VND 10,000/share.
5. **Current Charter Capital (according to the Capital Audit Financial Statements dated August 28, 2020):** VND 1,360,057,600,000.
6. **Number of issued and outstanding shares:** 136,005,760 common shares (including 28,000,000 common shares converted from 280 convertible bonds with code BCG_BOND2018 at the issuance completed on October 15, 2018).
7. **Offering rate increased than the charter capital (including 28,000,000 common shares converted from 280 convertible bonds with code BCG_BOND2018 at the issuance completed on October 15, 2018):** 50%
8. **Number of shares to be offered:** 68,002,880 shares (Sixty-eight million two thousand eight hundred and eighty shares).
9. **Total value of offering at par value:** VND 680,028,800,000 (Six hundred and eighty billion twenty-eight million and eight hundred thousand Vietnamese Dong).
10. **Expected Charter Capital after issuance:** VND 2,040,086,400,000 đồng (Two thousand and forty billion eighty-six million and four hundred thousand Vietnamese Dong).
11. **Purpose of issuance:**
 - + To improve capital capacity, commensurate with total current asset value owned by the Company.
 - + To add capital to serve production and business activities of the Company.
12. **Form of issuance:** Public offering to existing shareholders.
13. **Objects of issuance:** Existing shareholders in the list of shareholders at the closing date are entitled to purchase shares offered to existing shareholders issued by Vietnam Securities Depository (VSD) as prescribed (time of closing the list is authorized to decide by the General Meeting of Shareholders to the Board of Directors).

14. Price calculation method:

Book value as at December 31, 2019 according to Consolidated Financial Statement of the Company:

$$\begin{array}{l}
 \text{Book value} = \frac{\text{Owner's Equity}}{\text{Number of outstanding shares}} \\
 \text{Book value} = \frac{\text{VND 1,624,527,617,907}}{108,005,760} = \text{VND 15,041}
 \end{array}$$

- **Market price:** During the time from June 12th, 2020 to August 12th, 2020 on Ho Chi Minh City Stock Exchange, the average closing price of BCG shares was **VND 6,644/60** trading days (figures in website: www.hsx.vn)

Pursuant to Article 125 of the Law on Enterprises: *“The Board of Directors decides time, method and price of offering shares among the authorized shares. The offering price of shares must not be lower than the market price at the offering time or the latest book value of shares, except for the following cases:*

- 1. Shares firstly offered to people who are not founding shareholders;*
- 2. Shares offered to all shareholders according to their proportion of existing shares in the company; ... ”*

To assure of successful offering, offering price to existing shareholders proposed by the Board of Directors: **VND 10,000/share.**

- 15. Total capital mobilized at estimated selling price:** VND 680,028,800,000.
- 16. Execution rate:** Offering to existing shareholders with execution rate of 2:1 (At the closing date of the list of exercising shareholders, existing shareholders who own 02 shares will be entitled to 01 purchasing right, they may buy 01 newly issued share for every 01 purchasing right). The number of shares received will be rounded down to the unit position. In case of arising fractional shares, it will be canceled.
- 17. Transfer of share purchase right:** Shareholders owning share purchase rights are allowed to transfer their purchase rights only once to others (the transferee cannot transfer to a third party). The assignor and transferee shall agree on the transfer price and pay the purchase rights fee by themselves. The duration and procedure for this assignment will be decided by the Board of Directors.
- 18. Limitation of transfer:** Shares offered to existing shareholders shall not be limited to transfer.
- 19. Method of distribution:** To distribute according to execution of purchase rights of existing shareholders.
- 20. Distribution term:** Shares offered to existing shareholders are expected to distribute within 90 days since receiving Certificate of Registration of Shares Offering to the Public of State Securities Commission of Vietnam.
- 21. Expected time of issuance:** From Quarter IV in 2020 to Quarter III in 2021.
- 22. Plans for settlement of remaining fractional and undistributed shares after the offering (if any):**
 - + Plan for settlement of fractional shares: In case of accruing fractional shares, they shall be cancelled.
 - + Plan for settlement of undistributed shares: The General Meeting of Shareholders authorizes the Board of Directors to settle in the direction of distributing to interested investors (not limited to members of the Board of Directors, the Board of Management and the employees of the Company) with the price possibly lower than the book value of shares at the time of offering but not lower than the issue price to existing shareholders, in case of not selling out, increase charter capital according to

actual number of actually-issued shares. Aforementioned offering shares are restricted to transfer within 01 year since completion of the offering.

23. Plans for using the capital raised from the issuance: The entire amount collected VND 680,028,800,000 will serve the need of additional capital investment for renewable energy projects; real estate projects and supplement working capital of the Company. As follows:

- Renewable energy projects: Estimated VND 420,000,000,000 (Four hundred and twenty billion Vietnamese Dong);
- Real estate projects: Estimated VND 230,000,000,000 (Two hundred and thirty billion Vietnamese Dong);
- Additional working capital: VND 30,028,800,000 (Thirty billion twenty eight million, eight hundred thousand Vietnamese Dong).

The General Meeting of Shareholders authorizes the Board of Directors to decide on selecting projects, detailed capital use plans for projects according to the actual situation of the Company (not limited to adjusting the capital structure using for renewable energy projects, real estate projects and adding working capital).

The minimum successful offer rate is 60%. In the case of failure to reach the minimum offering ratio, the General Meeting of Shareholders authorizes the Board of Directors to mobilize from other sources such as bank loans, bonds, partners ... to ensure project implementation and additional working capital of the Company.

24. Plans for settlement in case of not collecting enough capital according to the issuance: The General Meeting of Shareholders authorizes the Board of Directors to decide and balance the funds or propose appropriate solutions accordingly.

25. Dilution level of expected-to-issue shares:

In offering shares to existing shareholders, dilution risk may be occurred, including:

- Dilution of earnings per share - EPS.
- Dilution of book value per share.
- Dilution of holding rate and voting right.

a. With regard to dilution of EPS and book value:

Difference in the growth rate of profit and equity of the Company will affect EPS index as well as book value of the Company, as follows:

i. Earnings per share – EPS

| | |
|---|---|
| + Formula for calculation: | $\text{EPS (basic)} = \frac{\text{Profit after corporate income tax}}{\text{Average number of outstanding shares}}$ |
| + Average number of outstanding shares = | $(X*12+Y*t)/12$ |
| <p>X: Number of outstanding shares before selling</p> <p>Y: Number of additionally-offered shares</p> <p>t: Annual actual circulation period of number of additionally-offered shares</p> | |

Upon completion of offering, basic earnings per share (EPS) shall be changed due to the change in equity and profit growth rate.

ii. Book value per share:

$$\text{Formula for calculation: Book value per share} = \frac{\text{Owner's Equity}}{\text{Number of outstanding shares}}$$

Upon completion of offering, the book value of each share shall be changed due to the change in number of outstanding shares and equity growth rate. By additionally offering shares at a price lower than the book value, shortly after the offering and because the increase of outstanding shares is greater than of equity, book value per share of the Company shall be reduced.

b. With regard to holding rate and voting right

Holding rate as well as voting rights of existing shareholders may be reduced by a proportion corresponding to the rate of refusing purchase right by existing shareholders in this issuance (compared to the time closing the list of exercising purchase rights to additional shares).

c. With regard to reference price as at transaction date without being entitled to purchase rights of additional-issued shares:

Technically adjust the share price for offering to existing shareholders: offering to existing shareholders will result in a technical adjustment to the share price calculated by Hanoi Stock Exchange. Accordingly, calculation formula is as follows:

$$P_{tc} = \frac{PR_{t-1} + (IxP_r)}{1 + I}$$

Of which :

- + P_{tc} : reference price of BCG shares as at transaction date without being entitled to purchase rights of newly-issued shares to increase capital.
- + P_{Rt-1} : stock price at the session before the session without being entitled to purchase right.
- + I : capital ratio increases along with the issuance of purchase right.
- + P_r : share price for persons who are entitled to purchase right.

26. Authorization and depository of additionally listing shares to be offered for sale:

a. Authorization:

The Board of Directors consulted the General Meeting of Shareholders on authorization for the Board of Directors to:

- Proactively perform necessary procedures to register offering shares with the State Securities Commission of Vietnam and relevant agencies;

- Select a specific date of issuance and execute necessary procedures related to completion of issuance plan, apply for issuance license and implement in accordance with the Company's Charter and applicable laws to ensure benefits for the shareholders.
- Supplement, amend and complete offering plan to assure of successful offering, satisfy requirements of the State management agencies, actual situation at the Company to ensure compliance with the law.
- Make a detailed plan on using capital and adjust the Plan of using capital collected from the offering in accordance with the Company's production and business activities and executing procedures related to Information Disclosure as prescribed.
- Carry out procedures for amending the Company Charter, registering to change charter capital and amending Business Registration Certificate of the Company at the competent State agency after completion of offering.
- Proactively adjust the plan of settling fractional and undistributed shares in the direction of ensuring interests of all shareholders and at request of the State Securities Commission of Vietnam and relevant agencies as prescribed by the law.

b. Depository and additional listing of shares to be offered

- The Board of Directors consulted the General Meeting of Shareholders to deposit and further list all additionally-issued shares after completing increase of charter capital.
- The General Meeting of Shareholders undertakes to put shares of capital increase stage into depository and listing on Ho Chi Minh City Stock Exchange right after the offering ends.
- The General Meeting of Shareholders authorizes the Board of Directors to proactively carry out procedures related to the depository and listing of additionally-issued shares in this capital increase.

It is respectively submitted to the General Meeting of Shareholders for voting and approval.

Yours sincerely,

Recipient:

- General Meeting of Shareholders;
- Filed: Office of Board of Directors.

**FOR AND ON BEHALF OF
BOARD OF DIRECTORS
CHAIRMAN**

(Signed & Sealed)

Nguyen Ho Nam